



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

October 11, 2011

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: DANIELLE RIDGWAY
STATE CONTRACT PROCUREMENT OFFICER
302-857-4556

SUBJECT: **AWARD NOTICE – Addendum #2 – Effective October 15, 2013**
CONTRACT NO. GSS11550-ULSD
ULTRA LOW SULFUR DIESEL

TABLE OF CONTENTS
OF
KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT:	2
2. CONTRACT PERIOD:	2
3. VENDORS:	2
4. SHIPPING TERMS:	3
5. DELIVERY AND PICKUP:	3
6. PRICING:	3
ADDITIONAL TERMS AND CONDITIONS	5



GOVERNMENT SUPPORT SERVICES – CONTRACTING
100 ENTERPRISE PLACE – SUITE 4 – DOVER, DE 19904-8202
PHONE: (302) 857-4550 – FAX: (302) 739-3779 – GSS.OMB.DELAWARE.GOV

KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT:

[\(Return to Table of Contents\)](#)

REF: Title 29, Chapter 6911(d) Delaware Code. Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

2. CONTRACT PERIOD:

[\(Return to Table of Contents\)](#)

Each contractor's contract shall be valid for a two (2) year period from October 15, 2011 through October 14, 2013. Each contract may be renewed for three (3) additional one (1) year period through negotiation between the contractor and Government Support Services. Negotiation may be initiated no later than ninety (90) days prior to the termination of the current agreement.

Addendum # 2 extends this contract one (1) additional year through October 14, 2014.

3. VENDORS:

[\(Return to Table of Contents\)](#)

Pedroni Fuel Company 385 Wheat Road Vineland, NJ 08360 Contact: Michael Steffer Phone: 800-642-9191 Fax: 856-697-8969 Email: pedronifuel@comcast.net FSF # 0000007930	Mansfield Oil Company of Gainesville, Inc. 1025 Airport Parkway SW Gainesville, GA 30501 Contact: David Zarfoss Phone: 800-695-6626 Fax: 678-450-2242 Email: mocbids@mansfieldoil.com FSF # 0000101081
Carl King Energy Services division of Griffith Energy Services, Inc. 1400 E. Lebanon Rd. Dover, DE 19901 Contact: Mary Lerch Phone: 302-697-3251 Fax: 302-697-9148 Email: mlerch@griffithoil.com FSF # 0000031073	

4. SHIPPING TERMS:

[\(Return to Table of Contents\)](#)

F.O.B. destination, freight pre-paid.

5. DELIVERY AND PICKUP:

[\(Return to Table of Contents\)](#)

Agencies are responsible for establishing a delivery schedule or “will call” basis with the awarded vendor.

6. PRICING:

[\(Return to Table of Contents\)](#)

To calculate the price contract users will be charged:

Price (per gallon) = ULSD Daily Floating Price (gallon) + Delivery Charge/Discount (gallon)

Prices shown in the table below are the delivery charge/discount that will be charged for each gallon delivered to the ordering agency. (Price is exclusive of taxes, except for some taxes that are not able to be legally waived. No other fuel delivery charges shall be charged to the ordering agency).

NEW CASTLE COUNTY		
<i>Tank “A” 5,000 Gallons & Up</i>		
Vendor	Price Structure	ULSD
Pedroni	Charge per Gallon	-\$0.0126
<i>Tank “B” Up to 4,999 Gallons</i>		
Vendor	Price Structure	ULSD
Carl King	Charge per Gallon	\$0.1175
KENT COUNTY		
<i>Tank “A” 5,000 Gallons & Up</i>		
Vendor	Price Structure	ULSD
Mansfield	Charge per Gallon	\$0.0368
<i>Tank “B” Up to 4,999 Gallons</i>		
Vendor	Price Structure	ULSD
Carl King	Charge per Gallon	\$0.1775

6. **PRICING (Continued):**

SUSSEX COUNTY		
Tank "A" 5,000 Gallons & Up		
Vendor	Price Structure	ULSD
Carl King	Charge per Gallon	\$0.0545
Tank "B" Up to 4,999 Gallons		
Vendor	Price Structure	ULSD
Carl King	Charge per Gallon	\$0.1845

Price shall be net per gallon F.O.B. agency storage tanks.

Prices will remain firm for the term of the contract year.

A. **Floating Price:**

Prices invoiced for the Ultra Low Sulfur Diesel fuel shall be on a per gallon basis. The price shall correspond to the daily closing **UNBRANDED RACK AVG** posting for **ULSD** for the Philadelphia Harbor under the "OPIS Gross No. 2 Distillate Prices" as published in the OPIS.

Added to the daily index shall be the delivery charge per gallon for each particular zone. **The delivery charge shall remain firm for the duration of the contract.**

The invoiced price shall be the price in effect on the date of delivery. In the event that a delivery is late at the fault of the vendor, the ordering agency at its option may request that the invoice reflect the daily index price for the promised delivery date rather than the actual delivery date had the index gone up during that time period.

NOTE: If delivery is made on a weekend, and the weekend is a holiday, the price per gallon shall be based on the previous day.

Your invoiced price **SHALL** be exclusive of all Federal and State taxes, with the exception of the Following:

Delaware Hazardous Substance Clean-Up Tax – This tax shall be billed as a separate line item on all invoices. The current rate is (.009). This tax is on the total dollar amount of the invoice, not on the per gallon price (.009 X amount of invoice).

The Federal Leaking Underground Storage Tank Tax – This tax shall be billed as a separate line item on all invoices. The current rate is (.0010). This tax is on the per gallon price. There are no exemptions from LUST tax except for exports. *Public Law 109-58; Sec.1362(b).*

The National Oil heat Research Alliance (NORA) Tax. The fee is only due on fuel used for oil heat that is defined in the law as being used for non industrial commercial or residential space or hot water heating. The fee is due on sales to consumers who use the fuel to heat space, whether by forced air or boilers, or water. The tax is on the per gallon price. The tax shall be billed as a separate line item on all invoices. The current rate is \$.002 (2/10 of a cent or twenty points). (.002 x per gal. price)

B. Delivery Price:

The delivery prices quoted regardless of quantity and method shall be on a per gallon basis and shall remain firm for the duration of the contract. It should be understood that there might be tanks to be serviced which do not appear on the list provided in the State's ITB support documentation. The State reserves the right to add or delete locations as deemed necessary.

It is the contractor(s) responsibility to familiarize themselves with all the locations in their respective contracts. The contractor(s) will be required to have the proper personnel/equipment, to service the locations they were awarded.

ADDITIONAL TERMS AND CONDITIONS

[\(Return to Table of Contents\)](#)

7. BILLING:

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

8. PAYMENT:

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

9. PRODUCT SUBSTITUTION:

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

10. ORDERING PROCEDURE:

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

11. REQUIREMENTS:

This contract will be issued to cover the Ultra Low Sulfur Diesel requirements for all State Agencies and shall be accessible to any School District, Political Subdivision, Municipality or Volunteer Fire Company.

12. HOLD HARMLESS:

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

13. NON-PERFORMANCE:

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

14. FORCE MAJEURE:

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

15. AGENCY'S RESPONSIBILITIES:

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.
- c. When an ordering agency first experiences a relatively minor problem or difficulty with a vendor, the agency will contact the vendor directly and attempt to informally resolve the problem. This includes failure to perform by the date specified and any unacceptable difference(s) between the purchase order and the merchandise received. Ordering agencies should stress to vendors that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the execution of the awarded contract.

- d. The state has several remedies available to resolve non-performance issues with the contractor. The Agency should refer to the Contract Terms and Conditions to view these remedies. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency or GSS - Contracting must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue.
- e. If there is a performance deficiency, a Corrective Action Report (CAR) may be used. Complete this form to report concerns with vendors or commodities. Be sure to furnish as much detail as possible. <http://gss.omb.delaware.gov/divisionwide/forms.shtml>.

16. INVOICES:

The successful vendor is required to break out the invoice as follows: price per gallon, delivery charge, applicable taxes (see Page 3, item #6 Pricing) and total price.

Additional information that is required to be on the invoice is as follows:

- 1. Name of Supplier
- 2. A statement that the oil complies with the specifications for Diesel Fuel as defined by ASTM D396 AND ASTM D975.
- 3. Percent of sulfur in Fuel as determined by one (1) of the following ASTM methods: D 129, D1552, D2622 OR D 4294, and
- 4. Method used to determine sulfur content.
- 5. A statement that the oil samples were obtained in accordance with either ASTM methods D4057 or D4177.

Any invoice that is not in the above format will be returned

17. STORAGE TANK COMPLIANCE CERTIFICATION/DOCUMENTATION:

Agencies are advised that they shall **NOT** sign storage tank compliance certification or any other documentation they receive from the contractor(s). They are to fax a copy of all such items to the Contract Officer immediately upon receipt.

18. SPILLAGE:

All spillages shall be corrected on an immediate basis and to the satisfaction of the ordering agency. All associated costs including materials, labor and any damages resulting from the spillage shall be borne by the contractor. The contractor shall immediately notify the below listed office of all spillages:

Department of Natural Resources and Environmental Control
Division of Air and Waste Management
24 hour Hotline
In State Phone No.: 800-662-8802
In/Out of State Phone No.: (302) 739-5072